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Office Memorandum • UNITED STATES GOVERNMENT

TO : Legislative Counsel

DATE: JUL 15 1953

FROM : Personnel Director

SUBJECT: Comments on Proposed Senate Bill 2191, 83rd Congress

1. This Office has reviewed the subject Bill and submits the following comments:

a. S.2191 proposes "to authorize the withholding, upon request, from compensation of Federal employees, of amounts for the payment of rates and premiums of voluntary prepayment plans and insurance for hospital and medical care."

b. Authorization for payroll deductions, of the type specified, would apply to all branches, departments, agencies, etc., of the Federal government, and as such, would also apply to the Central Intelligence Agency.

c. Each and every officer or employee of the Federal government (including a majority of Agency personnel) would have the right to request deductions necessary to pay premiums for hospital and medical care plans, which would include the surgical and hospitalization insurance plans which are currently available in the Agency. (Reference CIA Notice [] 16 February 1953, Hospitalization and Surgical Insurance for CIA Personnel)

2. At the present time, headquarters employees must assume personal responsibility for assuring that premium payments are made under these plans. Such payments, which usually occur once a month, entail in the aggregate a substantial loss of man hours to the Agency and a considerable inconvenience to the employee. Further, it is believed that payroll deductions for the purpose of paying hospital and surgical care premiums would simplify the accounting and record procedures needed to maintain the existing insurance plans.

3. Although the language of the Bill seems to be broad enough to permit payroll deductions for payment of premiums for any type of surgical or hospital insurance or prepayment plan, it would be our position that application of this authority should be limited administratively to coverage which is recognized or sponsored by the Agency. We would suggest, however, that the

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Bill be amended to permit deductions for life insurance coverages as well as hospital and surgical coverages, since the Agency currently sponsors the life insurance provided by the [REDACTED] for [REDACTED] personnel, and in view of the possibility that the Insurance Task Force may develop additional or other life coverage. A previous Bill on this same subject (HR 7844, introduced in May 1952) contained a provision to this effect, and we believe that the same principle is applicable.

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4. Accordingly, this Office believes that the Agency should take a favorable stand in respect to the proposed S.2191, amended as indicated in the preceding paragraph.

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GEORGE E. MELDON

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